

## State of California

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**Legislative Change No.****06-8**Bill Number: AB 970Author: TorriconChapter Number: 06-343Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 18536.Date Filed with the Secretary of the State: September 20, 2006

**SUBJECT:** FTB May Provide For The Filing Of Group Returns By Corporations For Electing Nonresident Directors

**Assembly Bill 970 (Torricon), as enacted on September 20, 2006, made the following changes to California law:**

Section 18536 of the Revenue and Taxation Code is added.

This act authorizes the Franchise Tax Board to provide for the filing of a group return for electing nonresident directors of a corporation. Electing nonresident directors would be those individuals who receive California source wages, salaries, fees, or other compensation from that corporation for director services, including attendance of board of directors' meetings that take place in this state. The rate applicable would be the highest marginal rate or rates provided for under the Personal Income Tax Law.

This act is effective on January 1, 2007, and operative as of that date.

This act does not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

9/29/06